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CENTRAL INTELLIGENCE AGENCY

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EXECUTIVE MEMORANDUM

OFFICE OF THE DIRECTOR

EXECUTIVE MEMORANDUM No. 149

DATE 15 September 1965

TO:

ROOM NO.

Deputy Director (Plans)

Deputy Director (Intelligence)

Deputy Director (Science & Technology)

☒ Deputy Director (Support)

7D-18

~~Comptroller~~

Inspector General

General Counsel

~~Assistant Director for National Estimates~~

D/DCI/NIPE

D/BPAM

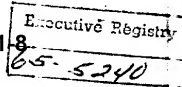
Copies of this memo, the President's Statement and the 23 aug memo from Bob sent (insert) to BPAM 16 sent 65-

Copies also sent to each Support office

This memorandum contains information for the addressees. Addressees may give this memorandum additional circulation within their components as required. All copies should be destroyed, not filed, upon completion of circulation. A master file will be kept in the Executive Director's Office and will be available upon request.

(CLASSIFICATION)

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STATEMENT BY THE PRESIDENT
TO THE CABINET

Last Monday I announced the results of cost reduction actions taken in the 18-month period from January 1964 through June 1965. The civilian agencies effected savings of more than \$1.1 billion. Added to the results achieved in the Department of Defense, this record shows what can be done when a willing effort is made. Impressive as these results are, they are only a beginning of what we can and must achieve in the year ahead.

On March 25, I requested each agency to establish an organized program for cost reduction, to prepare and submit formal cost reduction targets for fiscal 1966, and to make progress reports to me.

I have now received these reports from each of you. By trimming back or dropping marginal or out-of-date programs and by more efficient operating procedures, the civilian agencies have established a further savings goal of \$1.5 billion this fiscal year.

You have identified savings in the next 12 months substantially higher than in the prior 18 months. This represents real progress.

But the fact that we are making progress doesn't mean that our efforts can be eased.

I have said before, and I shall continue to repeat, that the willingness of Congress and the American people to support the legislation we have requested stems, in part, from their recognition and trust that this Administration will carry out Federal programs at the minimum possible cost.

I have instructed the Budget Director, in reviewing your 1967 budget requests with me, to present me with a list of possible savings through

- greater efficiency in operation
- elimination or reduction of obsolete programs , and
- substitution of private for public credit

totaling at least \$3 billion.

I want to outline for you some of the specific areas in which I believe you ought to concentrate your attention:

1. A relentless review of marginal or lower priority programs.

The task forces on budgetary savings which you earlier established, at my request, must continue their efforts during the preparation of your 1967 budget requests. With their help you must extend and enlarge upon the savings already identified in your cost reduction reports.

In the longer run, the planning-programming-budgeting system which the Budget Director outlined to you at the last Cabinet meeting provides a good basis for a continuing search for lower priority programs. Where legislation is required to drop or reduce these programs, we will seek such legislation. The national interest must be our test of whether a program is continued.

2. A renewed effort to hold down Federal employment.

In the next year there will be increasing upward pressure on Federal employment. We must redouble our efforts to economize on personnel costs.

Don't fill a single vacancy until you are sure it is absolutely necessary. Agressively seek out labor-saving techniques -- and don't be hesitant in introducing them. I personally watch each agency's employment figures, and how well you are living within the ceilings we have established. I expect you to give this matter your personal attention.

3. A renewed program to reduce travel costs.

At my request, the Budget Bureau issued, on August 23, a directive suggesting 9 specific areas where travel costs might be reduced. I want you to get out this directive and read it again. We must be sure that every trip is necessary.

4. We can all make do with a little bit less if we try.

The moratorium on the purchase of file cabinets has hurt no one. We can find other areas where we can postpone or reduce our purchases.

Shortly after assuming the Office of President, I announced that cost reduction would be a major role of my Administration. I have reiterated this objective several times; I expect to reiterate it in the future. It will take persistent efforts by all of us to accomplish our objective of weeding out the old programs that need to make way for new and more urgent ones -- to find ways of doing things cheaper and better. It must be the goal of every Federal official and employee. The objective will be accomplished as the product of hundreds of actions. We have demonstrated that it can be done and we must try much harder to do much more.

Noted by Ex Dir

Executive Registry

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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

August 23, 1965

MEMORANDUM FOR THE HEADS OF ALL DEPARTMENTS AND AGENCIES
IN THE EXECUTIVE BRANCH

SUBJECT: Reduction of travel costs of the Government.

The President, in meetings with Cabinet Task Forces on July 15 and 16, and in a full Cabinet meeting on July 27 instructed the heads of departments and larger agencies to reduce the travel costs of the Government to the essential minimum. He has reiterated that instruction and directed that the Bureau of the Budget institute an appropriate action program on this subject for all agencies of the executive branch.

It is Administration policy that agencies should authorize that amount of travel necessary to accomplish the purposes of the Government effectively at minimum cost--but not one bit more. This policy is applicable not only to travel of Government employees, but also to travel of such others as contractors whose travel expenses are directly reflected in the amounts paid by the Government.

The head of each agency is requested to communicate this policy, promptly throughout all operating and staff units of his agency, and to adopt and place in effect a plan to eliminate nonessential travel and minimize travel costs. The plan should include, but not be limited to, the following:

1. The review of all continuous or indefinite travel authorizations presently in effect, and the issuance of guidelines to the employees involved that will hold their travel to the minimum required to carry out their jobs effectively.
2. The screening of all specific travel authorizations issued hereafter and action in each case to limit trips, points to be visited, itineraries, duration, and modes of travel to those which are essential to the effective performance of the agency's work and which can be obtained with the least cost.
3. The establishment of procedures which will provide special advance scrutiny and care with regard to authorizing travel abroad, because of its adverse effect (except where financed with excess foreign currencies) upon our balance of payments as well as upon the Government budget. Such procedures should be applicable with respect to travel by those stationed abroad, as well as travel to other countries from points within the United States.

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4. The establishment of procedures which will avoid non-essential participation in conferences and meetings. The number of Federal employees and contractor staff sent at Government expense to conventions and conferences of international bodies, professional associations, trade associations, etc., should be held down to those whose presence there is clearly desirable and justified as having a substantial bearing upon the responsibilities of the agency.

5. A special review of policies on change-of-station travel. While normal agency procedures for rotation of employees between stations should not be cancelled or postponed indefinitely, the rotation policies and plans should be reviewed, and consideration should be given to lengthening the time between station changes in the United States. However, this shall not be construed to discourage change-of-station travel connected with the promotion of an employee to fill a vacancy at another station.

6. A tightening up of procedures to assure that employees do not incur a loss of productive time by choosing slow means of transportation (for example, surface transportation vs. air transportation, use of employee cars vs. scheduled faster transportation by carriers, etc.). Relative costs of both the transportation and of any loss of productive time of the employees must both be considered in choosing among alternative modes of transportation.

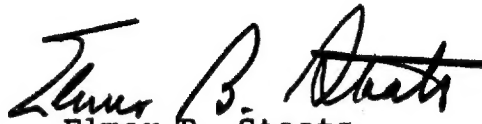
7. A review of station assignments of employees in relation to their travel requirements and their other responsibilities. Such a review may properly lead to reassignment of employees to different official stations which will reduce the cost of travel to points which they must frequently visit, where this leads to an overall reduction in costs without decrease in effectiveness.

8. A special review and tightening up of procedures as appropriate to use less than first-class accommodations in travelling by air, except where the carriers offer nothing but first class. Attention should be given not only to the actual procurement of space, but to the planning of trips sufficiently far in advance and with sufficient regard to days of the week and time of flights (consistent with needs of the Government) so as to minimize the cases where employees use first class at added cost to the Government merely because lesser accommodations are not available when they seek them.

9. In the case of contractors whose travel costs are directly reflected in the price paid by the Government, a special review of contract provisions and procedures, followed by necessary action on the part of the agency to see that travel is held to that which is essential, and that the cost of such travel is minimized.

Travel in the context of this memorandum is not limited to the particular object class which relates to Government payments to travelers, carriers, etc., but relates to all travel, no matter how performed and accounted for. Therefore, agencies should not seek to reduce the charges to the object class for travel merely by shifting to other arrangements (for example, by making greater use of thier own cars in lieu of motor pools, or by substituting the use of their own aircraft for travel by commercial carrier).

The results of your plan of action to carry out the policies of this memorandum should be reflected in the budget submissions which are due on September 30, and in actions requesting apportionments and setting up budget reserves for the current fiscal year. We shall give attention to this subject in the budget review this fall, and call to the attention of the President those cases where the results of this effort appear to be ineffective and the travel costs appear to be excessive. Meanwhile, the head of each agency should be prepared to report, at any time requested upon 10 days' notice, the steps taken and results achieved and forecast under this memorandum.


Elmer B. Staats
Acting Director